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SINO-SOVIET RELATIONS

Chinese and Soviets remain far apart on key geopolitical issues but have moved to reduce tensions and expand cultural and economic relations. Beijing continues to insist that Moscow:

- -- Stop supporting Vietnam's occupation of Kampuchea,
- -- Withdraw from Afghanistan,
- -- Reduce Soviet troop levels along their mutual border and withdraw Soviet forces from Mongolia.

Soviets have refused to discuss Vietnam and Afghanistan. Instead they have:

- -- Hinted that they might withdraw some forces from Mongolia if China concludes a nonaggression agreement with Ulaanbaatar,
- -- Proposed token confidence building measures, which Beijing has rejected.

We see little prospect of a major breakthrough soon:

- -- Soviets are determined to become a Pacific power and remain unwilling to sacrifice strategic gains, especially in Vietnam, for uncertain benefits of better relations with China.
- -- Despite strains in Sino-U.S. relations, Beijing is unlikely to tilt toward Moscow because of its intense interest in gaining greater access to Western technology.
- -- Recent expulsion of Chinese from Mongolia is likely, in fact, to add another irritant in Sino-Soviet relations, although so far Beijing has reacted in a low-key way.

Despite the lack of progress on key issues, both Soviet and Chinese favor a continuation of their talks, which they believe give them some leverage in dealing with the U.S.

-- China also has used modest improvement in relations with Moscow to improve relations with some of the more pro-Soviet states in Eastern Europe, especially trade ties.

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